



South Central Workforce Investment Area RETAIL TRADE ANALYSIS

Retail Pull Factors

Retail trade is the sale and distribution of merchandise to consumers through either a store location or non-store location such as internet, phone, catalog or advertising.

Retail trade is one of the key economic indicators of regional economies. The retail strength of a county is a function of customer base served, the buying power of the customer base and quality of the retail environment. Retail pull factor measures the retail sales captured by a county across Missouri.

In 2007, one county in the South Central Workforce Investment Area had a retail trade pull factor greater than 1 indicating either a gain in customers from other counties or that residents spent more than the state average. On the contrary, 12 counties had a pull factor below 1 indicating residents either spent less than their state counterparts or residents purchased more goods outside their county.

Retail Trade Sectors

- Apparel and Accessories
- Automotive dealers
- Gasoline service stations
- Building materials,
- Hardware and garden supplies
- Eating and Drinking Places
- Home furniture and furnishings
- Food
- General Merchandise
- Miscellaneous retail

Retail Industry Facts

Employment

8,746

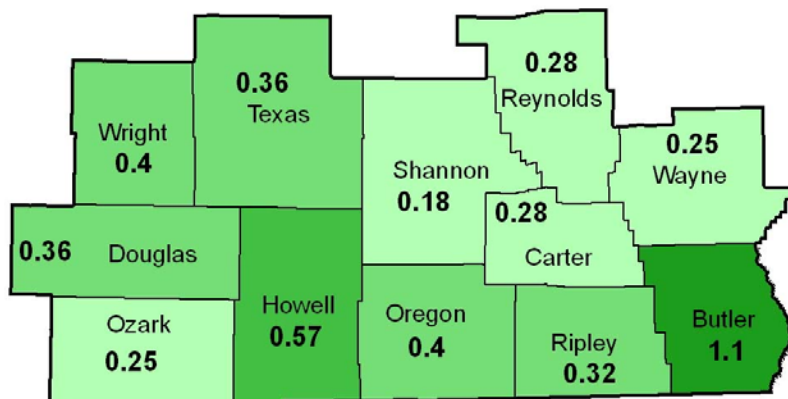
Number of Industries

823

Average Wage

\$18,859

2007 Retail Trade Pull Factor



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Retail trade has been particularly strong in counties along state highways. Butler County had the highest pull factor (1.10).

Conversely, 11 counties lost retail customers. The counties that lost customers or spent less than the state average were located in the regions surrounding the regional trade centers. Shannon County had the lowest pull factor (0.18), followed by Ozark (0.25) and Wayne (0.25).

Butler County captured the most retail sales and gained the most retail customers, besides holding the highest market share. Overall, retail customers in South Central region spent more than \$822 million in retail purchases in 2007, capturing 1.8% of the market share in Missouri. The retail sales pull factor rankings for the counties in South Central region are as follows:

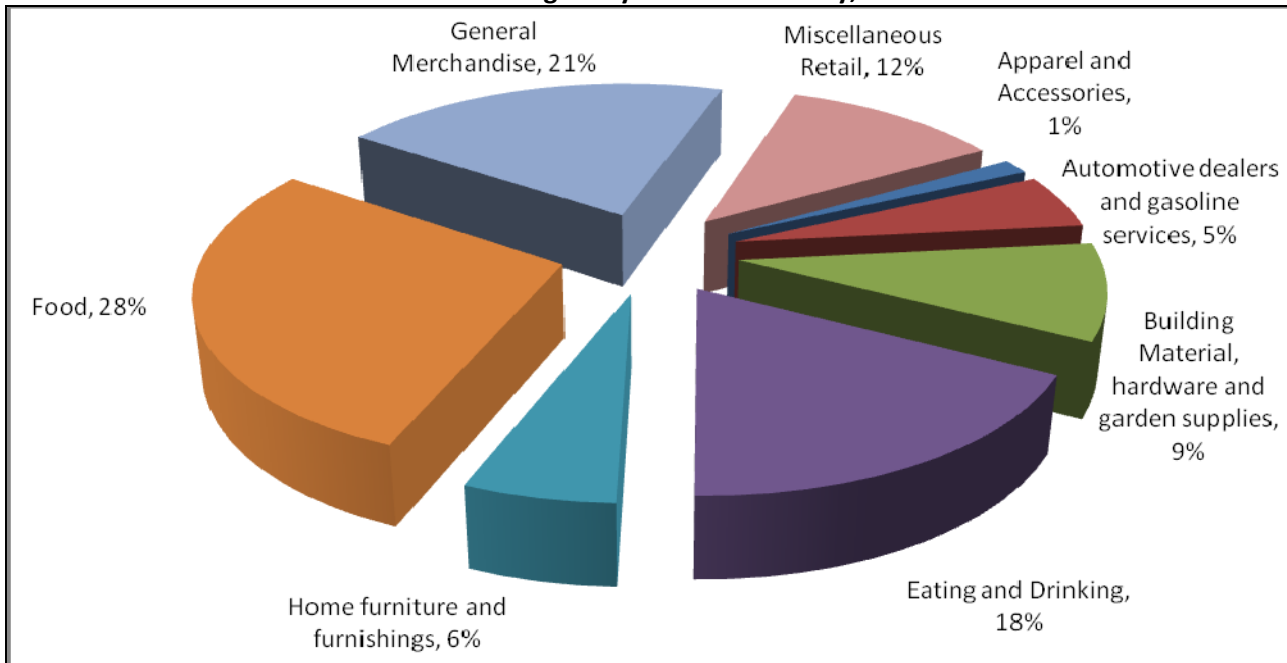
Retail Sales, Pull Factor, Trade Area Capture (TAC) and Market Share (MS) – South Central WIA Region, 2007

COUNTY	CTPF	TAC	MS	RETAIL SALES
BUTLER COUNTY	1.10	44,527	0.77%	347,283,415
HOWELL COUNTY	0.57	21,776	0.38%	169,838,303
OREGON COUNTY	0.40	4,073	0.07%	31,764,004
WRIGHT COUNTY	0.40	7,210	0.12%	56,234,988
DOUGLAS COUNTY	0.36	4,823	0.08%	37,617,195
TEXAS COUNTY	0.36	8,303	0.14%	64,756,864
RIPLEY COUNTY	0.32	4,342	0.08%	33,866,440
REYNOLDS COUNTY	0.28	1,803	0.03%	14,063,173
CARTER COUNTY	0.28	1,651	0.03%	12,878,610
WAYNE COUNTY	0.25	3,125	0.05%	24,372,770
OZARK COUNTY	0.25	2,287	0.04%	17,839,209
SHANNON COUNTY	0.18	1,544	0.03%	12,044,427
South Central WIA Total		105,465	1.82%	822,559,399

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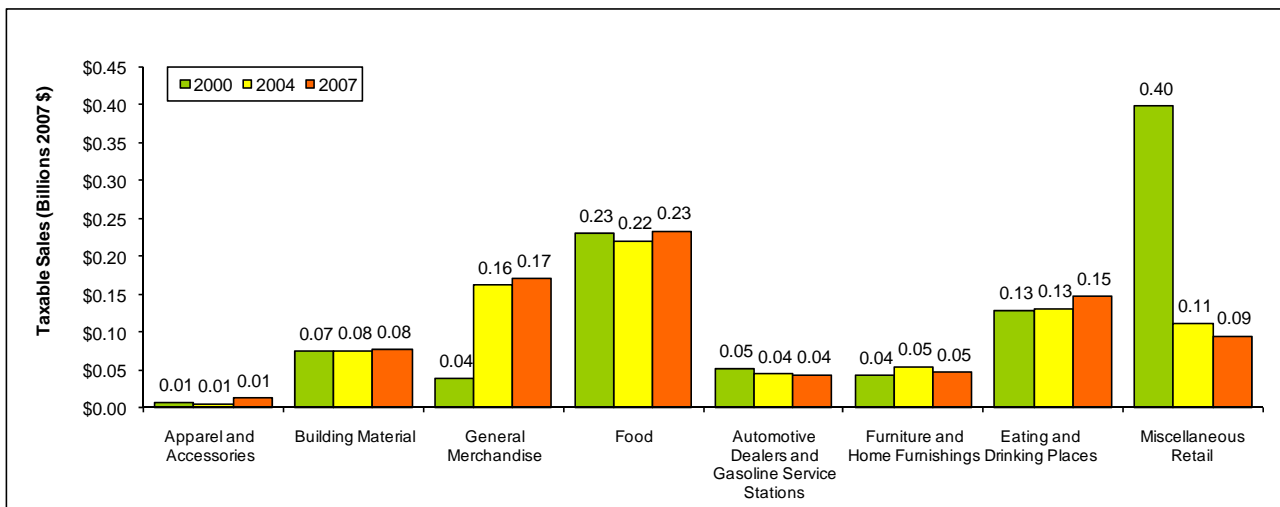
In 2007, in terms of percentage of retail sales by industry, a majority of retail sales were in the food sector (28%), followed by general merchandise retail (21%), eating and drinking (18%), miscellaneous retail (12%) and building materials (9%). Furniture, automotive dealers and apparel accounted for the balance of retail sales (12%) in the South Central region.

Percent Retail Sales in South Central WIA Region by Detailed Industry, 2007

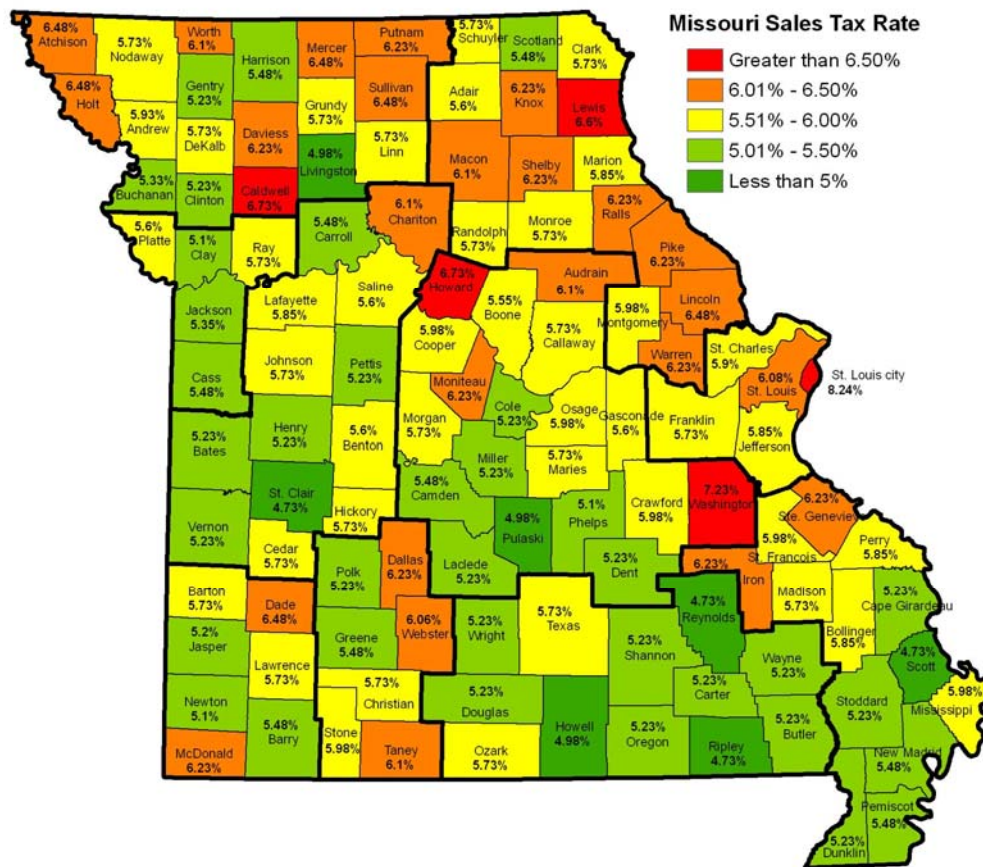


In terms of retail sales trends, the greatest increase in seven years was in general merchandise, and the steepest decline was in miscellaneous retail sectors. Consumer spending on apparel, building materials automotive and food stayed roughly about the same. Retail expenditure on food away from home and furniture increased steadily across the years. Retail expenditure on automotive declined over the years.

Comparison of Taxable Sales by Detailed Industry in South Central WIA Region, 2000, 2004 and 2007



Missouri Sales Tax Rates



The map above presents the combined state and county sales tax rate excluding the local sales taxes. Sales tax rates in Missouri range from 4.73% to 8.24%. Within the South Central region, Ozark and Texas County has the highest sales tax rate (5.73%) followed by Butler, Carter, Douglas, Shannon, Wayne and Wright at 5.23%.

On the contrary, Ripley County has the lowest sales tax rate (4.73%), followed by Reynolds (4.73%) and Howell (4.98%).

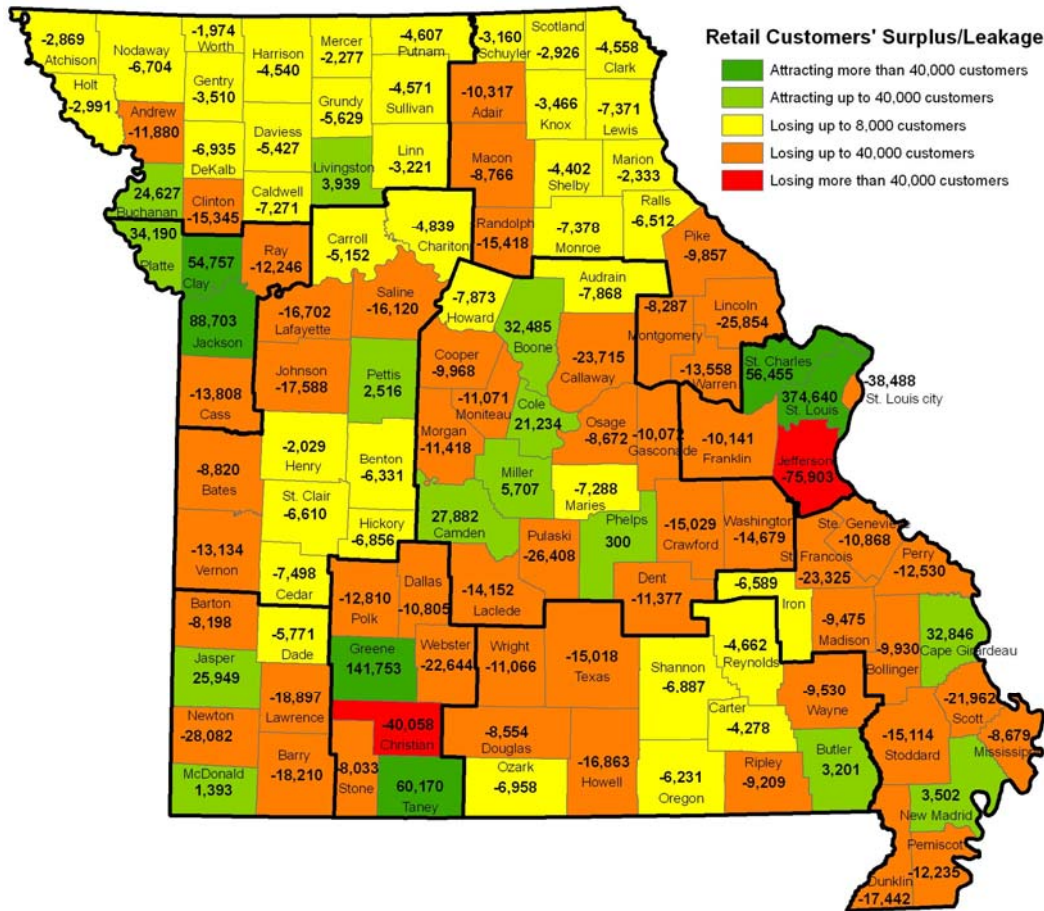
The average sales tax rate for Missouri is 5.72%. Two counties in the South Central region have a retail sales tax rate above the state average and ten counties have a sales tax rate below the state average.

COUNTY	SALES TAX
OZARK	5.73%
TEXAS	5.73%
BUTLER	5.23%
CARTER	5.23%
DOUGLAS	5.23%
OREGON	5.23%
SHANNON	5.23%
WAYNE	5.23%
WRIGHT	5.23%
HOWELL	4.98%
REYNOLDS	4.73%
RIPLEY	4.73%

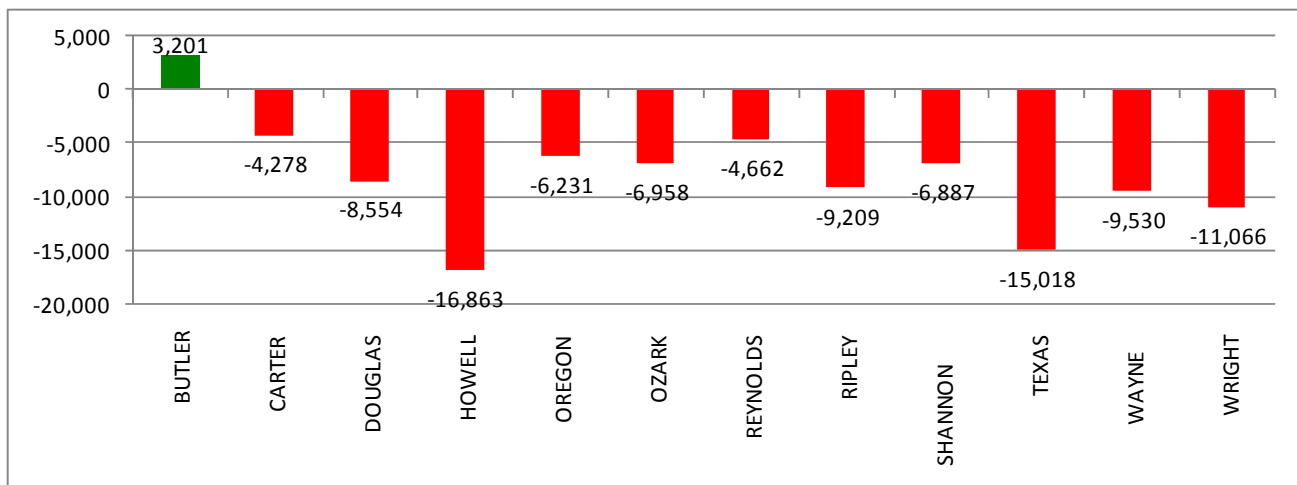
Source: Missouri Department of Revenue – Sales Tax Rate Tables

RETAIL TRADE ANALYSIS

Commuting Patterns of Retail Customers

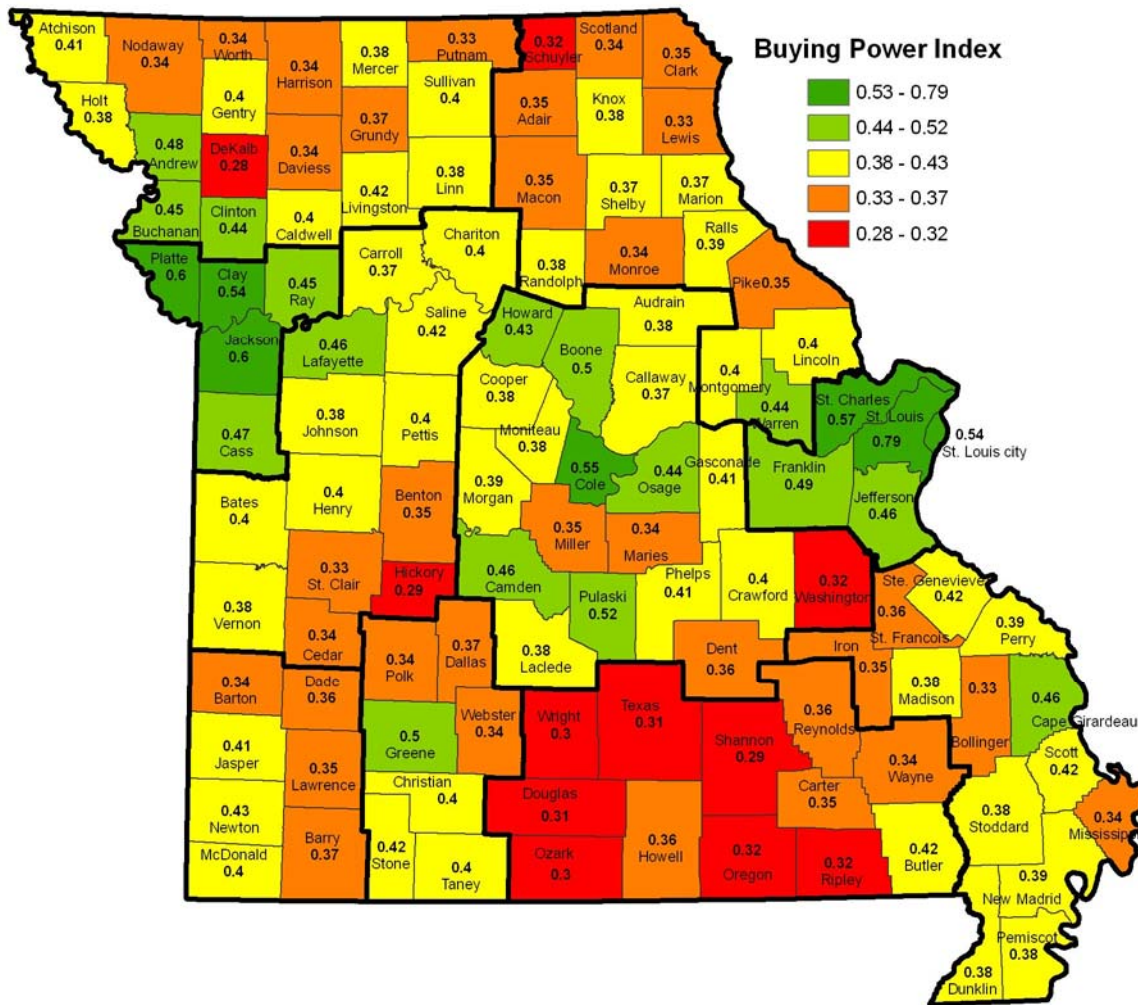


Retail customers travel across county borders to purchase goods and services. The map above illustrates the number of retail customers either coming in to a county or leaving a county for retail purchases. In the South Central region as shown in the graph below, Butler County displayed a net in-commuting pattern whereas all the other counties display a net out-commuting pattern.



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Buying Power Index



The buying power index is a measure of the capability of the retail customers living in that county to buy retail goods. The higher the index, the greater the ability to buy retail goods and support retail activity in the region. In South Central region, the buying power of retail customers of Butler, Reynolds, Carter, Wayne and Howell is relatively higher than the rest of the counties in the region. The buying power of retail customers in Shannon, Wright, Ozark, Douglas and Texas is relatively lower than the rest of the counties in the region.

The buying power index is calculated by the following equation:

$$BPI = \frac{(2 * \text{Population } \%) + (3 * \text{Retail Sales } \%) + (5 * \text{Per capita income } \%)}{10 (\text{sum of the weights})}$$

Where Population % is the percentage of county population to that of the State of Missouri.

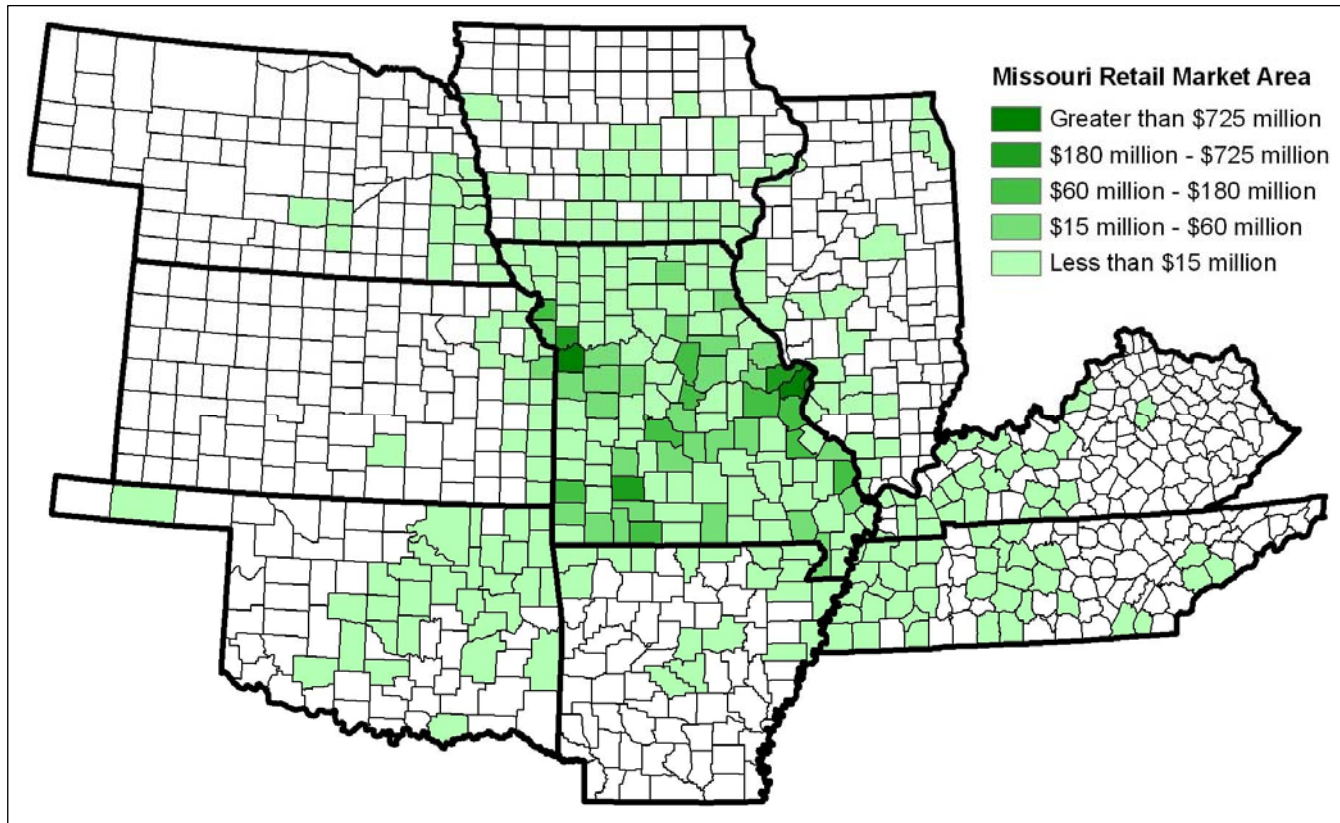
Retail Sales % is the percentage of retail sales in the county to that of the State of Missouri.

Per capita income % is the percentage of per capita income in the county to that of the State of Missouri.

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Retail Market Area

Missouri Retail Market Area



Source: Minnesota IMPLAN Group, Commodity Trade Flows, 2006.

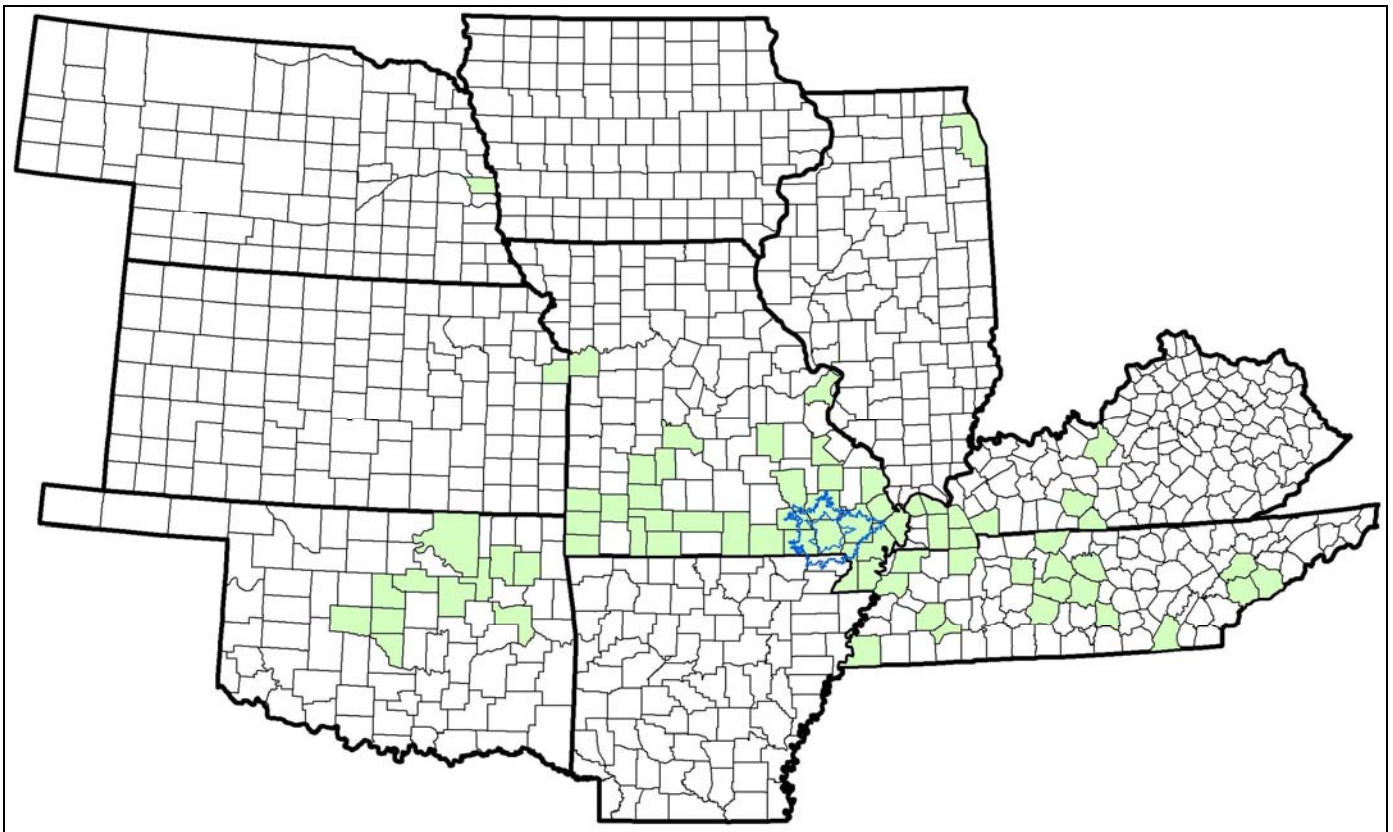
The map above shows the Missouri retail market area from which retail stores and consumers purchase apparel, furniture, general merchandise and miscellaneous retail goods.

In 2007, Missouri retail customers purchased over \$5.8 billion in apparel, furniture, general merchandise and miscellaneous retail goods. The Missouri retail market includes all of Missouri and extends to all surrounding states. The volume and value of purchases by major metropolitan areas like Kansas City, St. Louis, Springfield, and St. Joseph were relatively higher than the rest of Missouri.

While the market area for general merchandise and miscellaneous retail was relatively widespread, the market area for apparel and furniture was relatively limited.

Within the South Central region, a majority of Missouri retail goods were purchased by retail stores and consumers in Butler, Howell, Oregon and Wright Counties.

Butler County Retail Market Area



Source: Minnesota IMPLAN Group, Commodity Trade Flows, 2006.

Butler County has the highest pull factor in the South Central region. The map above shows the retail market area for Butler County from which retail customers and stores purchase apparel, furniture, general merchandise and miscellaneous retail goods.

In 2007, Butler County retail customers predominantly resided in Butler, Ripley, Carter, Reynolds, Wayne, Dunklin and New Madrid, Counties. The blue boundary indicates the local market from which customers purchase retail goods and services within an hour of driving distance from Poplar Bluff.

